

**CITY OF BRIDGEPORT
BUDGET AND APPROPRIATIONS
REGULAR MEETING
JUNE 10, 2013**

ATTENDANCE: Angel dePara, Co-chair; Susan Brannelly, Co-Chair;
AmyMarie Vizzo-Paniccia; Carlos Silva, Lydia Martinez,
Denese Taylor-Moye (6:21 p.m.)

OTHERS: Council Member John Olson, Council Member Andre Baker,
John Marshall Lee, John Stafstrom, Pullman & Comley;
Council President Thomas McCarthy, Veronica Jones,
Acting Tax Collector; Terry Coward, Finance Office;
Council Member Michelle Lyons

CALL TO ORDER

Council Member dePara called the meeting to order at 6:15 p.m. A quorum was present.

Approval of Committee Minutes: February 25, 2013 (Special Meeting); April 4, 2013; April 6, 2013; April 8, 2013 (Public Hearing); April 9, 2013; April 11, 2013; April 13, 2013; April 16, 2013; April 17, 2013; April 18, 2013; April 20, 2013; April 22, 2013 (Public Hearing); April 23, 2013; April 24, 2013; April 25, 2013; April 29, 2013 and April 30, 2013.

**** COUNCIL MEMBER BRANNELLY MOVED THE FOLLOWING MINUTES:**

FEBRUARY 25, 2013 (SPECIAL MEETING); APRIL 4, 2013; APRIL 6, 2013; APRIL 8, 2013 (PUBLIC HEARING); APRIL 9, 2013; APRIL 11, 2013; APRIL 13, 2013; APRIL 16, 2013; APRIL 17, 2013; APRIL 18, 2013; APRIL 20, 2013; APRIL 22, 2013 (PUBLIC HEARING); APRIL 23, 2013; APRIL 24, 2013; APRIL 25, 2013; APRIL 29, 2013 AND APRIL 30, 2013.

**** COUNCIL MEMBER SILVA SECONDED.**

**** THE MOTION TO APPROVE THE MINUTES AS SUBMITTED PASSED UNANIMOUSLY.**

78-12 Municipal Suspense Tax Book.

Ms. Veronica Jones, Acting Tax Collector came forward and explained that every year the department suspends the taxes on uncollectible items, mostly vehicles. These are removed because they inflate the revenue. Council Member dePara asked if they could be removed from the books. Council Member Vizzo-Paniccia pointed out that if they were suspended, the owners could conceivably come in to pay the taxes and put the vehicle back on the road. Council

Member Brannelly asked why this wasn't done before the Budget was finalized. This means that there would be \$891,000 revenue that would be uncollected.

Ms. Jones said that a third party company went out a few years ago and surveyed the area for unregistered vehicles. They may have noted that there were five unregistered vehicle on a business parcel. The vehicles can't be booted because they do not have a license plate. These vehicles may have belonged to a tenant. If a vehicle does not have a license plate, it is assessed as personal property. Council Member Silva asked why the City could not go after these people. He said that there were a number of vehicles with out of state plates belonging to Bridgeport residents. Ms. Jones explained that if the vehicle is not registered, there is no way to track the owner. The VIN number will only list the last registered owner.

Council Member dePara said that this request needed to be presented to the Council much earlier. He said that going forward this needs to be adjusted. Secondly, internal procedures need to be instituted so that the owners can be tracked down.

Council Member Taylor-Moye joined the meeting at 6:21 p.m.

Council Member Baker asked where the shortfall would occur on the budget line item. Council Member dePara indicated where this would be under Current taxes, Motor Vehicles. He asked how the department would adjust for this shortfall. The Assistant Tax Collector said that she needed to analyze the situation more closely and would report back to the Committee.

Council Member Martinez asked how often this report was instituted. It is a yearly report Council Member Martinez asked about the vehicles. Ms. Jones said that these vehicles were from 1997-2011. She explained that the Assessor's Office can retroactively charge for five years with 25% interest.

Council Member Brannelly asked if the uncollectible would have affected this year's budget

Ms. Anne Kelly-Lenz joined the meeting at 6:35 p.m.

Ms. Kelly-Lenz said that only personal property and vehicles can only be suspended. She explained that the third party company went around and may have seen four vehicles parked in front of a resident's home. The vehicles may have had licenses registered in other towns, states or have been unregistered. The vehicles may not have been owned by the resident. The company assigned the vehicles to the resident, which was not valid. Some of the vehicles could have been part of bankruptcies, other part of a deceased person's estate.

Council Member Brannelly asked for clarification on this issue, which Ms. Kelly-Lenz reviewed.

Council Member Olson asked several questions about these vehicles. Ms. Kelly-Lenz said that there had been a Police Officer assigned to citing these vehicles. Unfortunately, the officer

involved has become seriously ill and the police are working on sending another officer out to do this.

Council Member Baker asked what percentage the department expected to collect on back taxes. Ms. Kelly-Lenz said that the department usually figures about 3 million dollars could be collected on back taxes. She said that she would like to verify this.

Council Member Baker asked what percentage of these items was on the Grand List. Ms. Kelly-Lenz said that until the records are suspended, the item remain on the List. Discussion followed about when an invalid listing was included. Ms. Kelly-Lenz said that the information was available online.

**** COUNCIL MEMBER BRANNELLY MOVED TO APPROVE AGENDA ITEM 78-12 MUNICIPAL SUSPENSE TAX BOOK**

**** COUNCIL MEMBER MARTINEZ SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

95-12 Approval of General Obligation Bonds – To Refund Certain General Obligation Bonds.

Ms. Kelly-Lenz said that the department continually monitors the bond market for savings. The current proposal would give a lower interest rate and would end up saving half a million dollars. The bonds would be satisfied in 2019. Council Member Brannelly asked for the details of the repayment. Ms. Kelly-Lenz gave the overall view and said that it would be reflected in the debts service line at the end of next year.

Council Member Baker asked for the amount of the original amount of bond. Mr. Stafstrom said that this was actually a series of bonds and similar to refinancing a mortgage on a house. Mr. Stafstrom explained that there was a degree of fluidity involved. The current rates are monitored by the City's Financial Advisor and the City's Underwriter. Depending on the interest offered on the day that the department refinances, the amount can vary.

Council Member dePara asked if the Committee could be provided with the amount of the savings. Ms. Kelly-Lenz said that once the sale closes, the debt-service would be reconfigured to reflect the reduction. Council Member dePara asked if the names of the projects that the bonds were for could be provided. Mr. Stafstrom explained that the funding for the projects was already spent.

**** COUNCIL MEMBER BRANNELLY MOVED TO APPROVE AGENDA ITEM 95-12 APPROVAL OF GENERAL OBLIGATION BONDS – TO REFUND CERTAIN GENERAL OBLIGATION BONDS.**

**** COUNCIL MEMBER MARTINEZ SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

96-12 Approval of Revenue Bonds – Jewish Home Project, Series 2013.

Mr. Stafstrom introduced Mr. Banoff and Atty. Epstein from Jewish Home. He explained that this project would be financed by the equity from the current location and a bond issued through the City of Bridgeport, but which the City of Bridgeport would not be obligated to repay. Mr. Stafstrom gave the background about the City and Town Development Act for the Committee. This act allows the City to issue bonds for development for non-for-profit facilities and those that would not be commercially available to the Jewish Home.

The Committee could authorize a resolution for a series of bonds for the Jewish Home and then money is issued to the City of Bridgeport. The City, in turn, would loan the money to the Jewish Home. This will be done with a private placement buyer. The City is acting as a conduit bond. This allows the Jewish Home to get a tax exempt rate for the bond. The tax exempt rate could result in as much as 200 basis points deduction in the rate. The Jewish Home is responsible for the debt and the City has no obligation to repay the bonds. The relationship would be between the Jewish Home and the private purchaser, which in this case, happens to be Peoples United and First Niagara.

The result will be a new facility in Bridgeport with jobs for residents, permitting fees and an up front payment of \$80,000 for the bonds. The Jewish Home has also agreed to a payment of a \$25,000 PILOT payment to the City during construction, which will increase after construction is completed.

This proposal will require a public hearing. Mr. Stafstrom said that the Jewish Home was requesting a public hearing to be held on July 1st.

Council Member Taylor-Moye asked for confirmation that the City would not be responsible to pay any money on the bonds. Mr. Stafstrom said that no City funds would be involved and that the City was not responsible for repayment of the bond. Ms. Kelly-Lenz said that the only funding that the City would have on the books would be the PILOT payments. The City will also receive almost 2 million in permitting fees, Mr. Stafstrom pointed out.

Council Member dePara said he wanted to know about the capacity building and the use of local workers and the use of local contractors.

Council Member Vizzo-Paniccia thanked the Jewish Home representatives and said that she was pleased with this project. She added that when private contractors come in, the City can't force them to use local contractors. They need to use the contractors they need to do the job.

Mr. Stafstrom said that the project has already received all the necessary zoning approvals.

Council Member Brannelly asked how the City usually issues the bonds. Mr. Stafstrom gave a brief overview and said that it was not something that Bridgeport has done frequently, but it is a

normal type of activity. Having the banks in place is an assurance because the bankers would not sign on for a bond where they did not believe the

Council Member Martinez asked for clarification as to where the project was taking place. Mr. Stafstrom said that it was the Jewish Community Center. Council Member Martinez said that her district was a poor district and she hoped that the Bridgeport residents would be hired to work on the project. Council Member Taylor-Moye said that it was important for her as a Council Member to insure that there would be jobs for the Bridgeport residents.

Council Member Baker asked about the purchase of the bonds by the banks. Mr. Stafstrom reviewed the structure of the conduit bond with the Committee. The transaction will be a net zero cost for the City. Council Member Baker asked about the non-profit status of the Jewish Home for the Elderly. Mr. Stafstrom then reviewed the proposed PILOT payments. Nursing homes do not fall into the category of a hospital. Ms. Kelly-Lenz said that the building fees would be handled in the normal process. Using the term "PILOT payment" is actually incorrect because the Jewish Home is a tax exempt organization and is not obligated to pay any taxes.

Council Member Brannelly said that the Committee was very grateful for the fact that the Jewish Home was willing to help out since they don't owe taxes.

Mr. Banoff, the President of the Jewish Home, greeted everyone. He said that regarding jobs, there are currently about 800 employees. Approximately 60% of the employees are already Bridgeport residents. Regarding the construction, about \$72 million will be involved in construction. KEB Construction will be subbing the jobs and he encouraged Bridgeport businesses to bid on the jobs.

All of the state, zoning, wetland and other permits have been approved. The Building Permits should be completed by the end of this calendar year. He then displayed a site plan and indicated where the current building is located. This building will be demolished Hollander House will remain where it is.

Mr. Banoff said that the Jewish Home for the Elderly is the second largest nursing home in the State of Connecticut. The average age is just below 90. There are currently 14 centenarians at the Jewish Home for the Elderly. All the current residents at the Jewish Home for the Elderly will be moving into the building upon the completion of the construction. There will also be an assisted living section and the JCC will also be included with their community activities.

Mr. Banoff then spoke about why the project was unique. This is a household model of care. Each "house" will have 14 bedrooms, with residential areas such as dining. Each room has its own bathroom and shower.

The Jewish Home for the Elderly has been around for 40 years and during that time, it has issued three bonds and faithfully repaid them. A Capital Campaign was started a year ago. Most of the funding came from outside the Bridgeport/Fairfield area. This is because the project is unique.

Council Member Lyons joined the meeting at 7:35 p.m.

Mr. Banoff said that the sale of the current property is not necessary for the financing. The Jewish Home for the Elderly may continue to own the current Fairfield property and possible put in housing.

Mr. Banoff then reviewed the details about the private purchase of bonds. A number of banks bid on the bonds.

Council Member Martinez asked how many floors this building would be four stories.

Council Member Taylor-Moye asked how many residents would be there. Mr. Banoff said that there would be 320 beds. Mr. Banoff said that when this was originally proposed, a full set of drawings were submitted to all the departments for review. The various departments submitted comments and appropriate changes were made.

Council Member Baker asked about the JCC recreational activities, such as the daycare program. Mr. Banoff said that the daycare would be smaller. There will be some programs running for the community, but on a smaller scale.

Council Member Baker asked if the Fairfield parcel would be assisted living. Mr. Banoff said that the goal was to have senior apartments. Council Member Baker asked if Sacred Heart was one of the bidders. Mr. Banoff said that the property had been listed for sale and there were many, many parties interested. Atty. Epstein said that the Fairfield parcel was separate entities and would be a totally separate project. Mr. Banoff said that the Jewish Home for the Elderly would be changing its name to Jewish Senior Services.

Council Member Baker asked about the future of the Fairfield parcel. Mr. Banoff said that he did not know at this time. Mr. Stafstrom said that this was a project that needed to stand alone and if it did not do well, it would not affect the borrower.

Council Member Taylor-Moye asked if the staffing would be 24/7. Mr. Banoff said that there was currently staffing 24/7 365 days a year.

Council Member Lyons asked if the residency in the new home could increase. Mr. Banoff said that it would not change. Council Member Lyons asked if the Jewish Home for the Elderly had submitted plans to Fairfield. Mr. Banoff said that the organization would be submitting plans to Fairfield for senior apartments.

**** COUNCIL MEMBER SILVA MOTION TO RECOMMEND THE FULL CITY COUNCIL APPROVE A PUBLIC HEARING BEFORE THE FULL CITY COUNCIL FOR JULY 1ST.**

**** COUNCIL MEMBER VIZZO-PANICCIA SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

Council President McCarthy asked if there was a need for a referendum. Mr. Stafstrom said that there was no need to take the project to a referendum. The City already has approved the City and Town Development Act.

**** COUNCIL MEMBER SILVA MOVED TO TABLE AGENDA ITEM 96-12 APPROVAL OF REVENUE BONDS – JEWISH HOME PROJECT, SERIES 2013.**

**** COUNCIL MEMBER VIZZO-PANICCIA SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

General Discussion Regarding the Review of the Monthly Financial Report.

Ms. Kelly-Lenz said that she did not have the monthly report because she had just come from another meeting. Ms. Kelly-Lenz said that the department was filing the April report and closing the May report. She then gave an overview of the process and the level of review that happens each month.

Council Member Vizzo-Paniccia asked why the Committee couldn't see the report before the analysis. Ms. Kelly-Lenz said that she was uncomfortable producing a report that had not been verified. She said that once the report is filed in the City Clerk's Office, the Committee can submit any questions. Council Member Baker asked if the report could be emailed to him. Terri said that it could be emailed in PDF form. Council Member Baker asked if the narrative could be included. Ms. Kelly-Lenz said that someone was writing the April narratives right now. Discussion followed about the timelines.

Council Member Brannelly asked about the variances in payroll. Ms. Kelly-Lenz said that there were variances when an employee leaves their job or there is an insurance change. The department has no control over this.

Council Member Olson said that he was aware of a condominium that the City foreclosed on and then sold greatly below market rate. Ms. Kelly-Lenz said that she had not done any foreclosures, but thought this might have been a lien. She asked Council Member Olson to send her the address of the property.

Council Member Brannelly asked if Ms. Kelly-Lenz asked for a calendar with the dates that she files the monthly financial report, so the Committee would know when the reports. Council Member dePara asked if Ms. Kelly-Lenz could bring examples of how closing the books is done. Ms. Kelly-Lenz said that she was uncertain what kind of information Council Member dePara was looking for. Discussion followed.

Council Member Brannelly said that original plan was to have items on the agenda that the Committee wanted to move forward on. Council Member dePara said that this would be done on a Special Agenda so that everyone would be prepared.

ADJOURNMENT

**** COUNCIL MEMBER BRANNELLY MOVED TO ADJOURN**
**** COUNCIL MEMBER VIZZO-PANICCIA SECONDED.**
**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 8:28 p.m.

Respectfully submitted,

Sharon L. Soltes
Telesco Secretarial Services.